GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2462
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COFFEE GROWERS
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the quantum of the coffee exported during each of the last three years and the current year and the foreign exchange earned therefrom, country-wise;

(b) whether there has been a decline in the export of coffee during the first quarter of the current year;

(c) if so, the details thereof and the reasons for the same;

(d) whether domestic consumption has been also affected in view of loss of remunerative prices for coffee growers during the said period;

(e) if so, the steps taken by the Government to boost the export and domestic consumption of coffee;

(f) whether the Government has received proposals from various State Governments to help coffee growers especially from Kerala; and

(g) if so, the details thereof, State-wise and action taken by the Govt. thereon so far?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a) The total quantity of coffee exported and value earned therefrom, country -wise during the last three years and the current year may please be seen in the statement annexed herewith.

(b) & (c) There is no significant decline in terms of foreign exchange earned during the first quarter of the current year which was Rs. 33902.8 lakh compared to Rs 34148.9 lakh earned during the corresponding period of last year.

(d) & (e) As per the domestic coffee consumption surveys conducted by the Coffee Board there is an increase in the domestic coffee consumption in recent years. For increasing domestic coffee consumption the Coffee Board has taken up various activities such as training courses, participation in national festivals and exhibitions, establishment of a high tech roas`ing & packaging facility in Coffee Board and promotion of sales through promotional units of the Board. To boost exports, the Government has provided support to various market development schemes of the Coffee Board aimed at raising the profile of Indian coffee in the international market and thereby increasing the value of exports. The medium term export strategy being implemented by the Coffee Board seeks to focus on the shifting of product mix in favour of arabica. It also attempts to maintain consistency in the quality of export of coffee and increase awareness of Indian coffee in target markets.For promotion of coffee consumption in the country yid export of coffee, financial outlays have been earmarked under the 10lh Plan period.

(f) & (g) Various proposals have beeA received by Government for relief measures to revive the coffee sector. In order to provide relief to coffee growers, the Government of India has approved a package which is aimed at debt amelioration. The package envisages equal sharing of total interesl burden of Rs.287.10 crore on Special Coffee Term Loan (SCTL) during the three year moratorium period amongst the banks, the Government and the grower leanees to the extent of one third each; requesting the banks to lower the interest rate; charged on SCTL from existing 11% to 9% or rate applicable to agriculture sector whichever is lower, during the remaining repayment period of SCTL loans; writing tff of coffee developmental loans along with interest amounting to around Rs.24 crore, due from the Coffee Board to the Government of India . The Coffee Board will in .urn waive the old developmental loans amounting to around Rs.64.59 crore extended by the Board to the coffee growers having holdings below 10 hectares only. A subs.antial number of the small growers receiving the benefit of this waiver is from Kenla. The interest subsidy scheme on working capital loans is also being continued for small growers (below 10 ha) at the rate of 5% and large growers at rate of 3% for the remaining years of the Tenth Plan. The interest subsidy would be reduced by 1% fora period of 3 years in the case of those growers who receive the benefit of reduced irterest burden on SCTL during the moratorium period.